CONNECTICUT
COMMISSION ON AGING

A nonpartisan research and public policy office of the Connecticut General Assembly

Testimony of

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Human Services Committee

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Good morning and thank you for this opportunity to comment on two bills before you today.

As you know, the Connecticut Commission on Aging is the nonpartisan state agency devoted to preparing Connecticut for a significantly changed demographic and enhancing the lives of the present and future generations of older adults. For sixteen years, the Commission has served as an effective leader in statewide efforts to promote choice, independence and dignity for Connecticut's older adults and persons with disabilities. I'd like to thank this committee for its ongoing leadership and collaboration in these efforts.

In these difficult budget times, research-based initiatives, statewide planning efforts, vision and creative thinking are all needed. The Connecticut Commission on Aging stands ready to assist our state in finding solutions to our fiscal problems, while keeping commitments to critical programs and services.

House Bill 5136: An Act Concerning the Expenditure of Funds in the Long-Term Care Reinvestment Account
~ CoA Informs

The Money Follows the Person program has helped over 400 individuals so far transition from nursing homes back into their homes and communities in our state. This innovative program helps Connecticut and other participating states rebalance their long-term care systems – to both save money and to provide a higher quality of life for residents. To incent states to participate, the federal government provides an enhanced federal match on transitioned residents for their first year back into the community, about 50% higher than the standard match (i.e., in Connecticut, currently about 80%, instead of 61.59%).

The Malloy administration just yesterday announced a dramatic expansion of efforts under the Money Follows the Person program.

Public Act 08-180 established the Long-Term Care Reinvestment Account to capture this MFP-related enhanced federal match – and reinvest that money back into the long-term care continuum. Some of the allowable expenditures are rate increases for home- and community-based providers, development of the long-term care workforce and grants to nursing homes for modifications that support home- and community-based care and programming. This money is a critical component of the program and is designed to help states prepare for greater systems change and a more robust home- and community-based service environment. One of the Account's benefits is the transparency it provides to the rebalancing process.

However, subsequent legislation has delayed the establishment of this account to January 2012.

CoA strongly urges the following three strategies to help reform Connecticut's long-term care system: 1) implementing the reinvestment account, 2) broadening the category of cost savings to be captured and invested into the account, and 3) utilizing the savings to also improve access to home and community based supports which "divert" people from costly institutions.

The CoA recommends the following legislative language:

Sub-section (a) of section 17b-371 of the general statutes is repealed and the following is substituted in lieu thereof ***(Effective from passage)*** On July 1, 2011, to the extent permitted by federal law, there shall be established within the General Fund, a separate, nonlapsing account which shall be known as the "Long-Term Care Reinvestment account". The account shall contain any moneys required by law and this section to be deposited in the account. Any funds resulting from the enhanced federal medical assistance percentage <u>(FMAP)</u> received by the state under the Money Follows the Person demonstration project pursuant to Section 6071 of the Deficit Reduction Act of 2005, <u>and any other enhanced FMAP related to home and community-based long-term care services that is received pursuant to the federal Patient Protection and Affordable Care Act,</u> shall be deposited in the account.

Sub-section (b)(1) of section 17b-371 of the general statutes is repealed and the following is substituted in lieu thereof ***(Effective from passage)*** (1) Provide funds for programs and services that provide cost-effective home and community-based alternatives to institutional care in nursing home facilities, including, but not limited to, occupational therapy, homemaker services, companion services, meals on wheels, adult day care, personal care services, transportation, mental health counseling, care management, elderly foster care, minor home modifications and assisted living services; <u>and in support of supplementing services available under the 1915(i) State Plan Amendment.</u>

Senate Bill 128: An Act Concerning Expansion of the ConnPACE Application Period
~ CoA Informs

This proposal seeks to undo a change that began last January, limiting the time during which individuals could apply to ConnPACE. As a result of legislation in 2009, individuals were required to apply to ConnPACE only between November 15 and December 31 of each year, or within 31 days of becoming eligible. The savings from this change were projected to be $240,000 in FY '10 and $600,000 in FY '11.

As this Committee knows, the ConnPACE program is a hallmark program providing prescription drugs for older adults and adults with disabilities in our state. Before the implementation of Medicare Part D, it was often the only coverage available for individuals who, at that stage of their lives, needed prescription drugs to maintain and improve health. Connecticut is rightly proud to have been one of the first states to adopt such a program twenty-four years ago.

Since the implementation of Medicare Part D, ConnPACE has changed significantly – and even more so in the past year or two, as our state has improved coordination between the state and federal programs. This has maximized federal funding in our state and saved consumers money as well.

As a result of some of these changes, enrollment and expenditures in ConnPACE have decreased significantly. As an example, in Fiscal Year '04, there were approximately 48,000 ConnPACE enrollees and state expenditures for the program were over $75 million. In FY '11, there were fewer than 30,000 enrollees, with program expenditures of under $27 million. Prescriptions covered went from over 1.1 million in FY '04 to 359,000 in FY '11. These results are not due to limited coverage overall – simply to coordination with improved benefits on the federal level.

To the extent possible within budgetary limitations, the Commission supports opening ConnPACE to enrollment throughout the year, both to ease the burden on intake workers and to reduce confusion among potential enrollees.